

BEFORE THE COMMUNITY DEVELOPMENT DIVISION
AND THE BUSINESS RESOURCES DIVISION
DEPARTMENT OF COMMERCE
STATE OF MONTANA

In the matter of the proposed) NOTICE OF PUBLIC HEARING ON
adoption of a new rule) PROPOSED ADOPTION
pertaining to the administration)
of the 2006-2007 Federal)
Community Development Block)
Grant (CDBG) Program)

TO: All Concerned Persons

1. On December 15, 2005, at 1:30 p.m., a public hearing will be held in Room 226 of the Park Avenue Building, 301 South Park Avenue, Helena, Montana, to consider the adoption of a new rule pertaining to the administration of the 2006-2007 Federal Community Development Block Grant (CDBG) Program.

2. The Department of Commerce will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you wish to request an accommodation, contact the Community Development Division no later than 5:00 p.m. on December 8, 2005, to advise the Division of the nature of the accommodation that you need. Please contact Gus Byrom, Community Development Division, 301 South Park Avenue, P.O. Box 200523, Helena, Montana 59620-0523; telephone (406) 841-2777; Montana Relay 1-800-253-4091; TDD (406) 841-2702; facsimile (406) 841-2771; e-mail to gbyrom@mt.gov.

3. The proposed new rule provides as follows:

NEW RULE I INCORPORATION BY REFERENCE OF RULES FOR THE ADMINISTRATION OF THE 2006-2007 CDBG PROGRAM (1) The department of commerce adopts and incorporates by reference each of the following, published by it as rules for the administration of the CDBG program:

(a) the Montana Community Development Block Grant Program 2007 Application Guidelines for Housing and Public Facilities Projects;

(b) the Montana Community Development Block Grant Program 2006 Application Guidelines for Housing and Public Facilities Planning Grants;

(c) the 2006 Application Guidelines for the Community Development Block Grant Economic Development Program;

(d) the Montana Community Development Block Grant Economic Development Program 2006 Application Guidelines for Planning Projects; and

(e) the Montana Community Development Block Grant Program 2006-2007 Grant Administration Manual.

(2) The materials incorporated by reference in (1) relate to the following:

- (a) policies governing the program;
- (b) requirements for applicants;
- (c) procedures for evaluating applications;
- (d) procedures for local project start up;
- (e) environmental review of project activities;
- (f) procurement of goods and services;
- (g) financial management;
- (h) protection of civil rights;
- (i) fair labor standards;
- (j) acquisition of property and relocation of persons displaced thereby;
- (k) administrative considerations specific to public facilities, housing and neighborhood renewal and economic development projects;
- (l) project audits;
- (m) public relations;
- (n) project monitoring; and
- (o) planning assistance.

(3) Copies of the materials adopted by reference in (1) may be obtained from the Department of Commerce, Community Development Division, 301 South Park Avenue, P.O. Box 200523, Helena, Montana 59620-0523 or from the Department of Commerce, Business Resources Division, 301 South Park Avenue, P.O. Box 200505, Helena, Montana 59620-0505.

AUTH: 90-1-103, MCA

IMP: 90-1-103, MCA

REASON: It is reasonably necessary to adopt this new rule because the federal regulations governing the state's administration of the 2006-2007 CDBG program and 90-1-103, MCA, require the Department to adopt rules to implement the program. Local government entities must have these application guidelines before the entities may apply to the Department for financial assistance under the CDBG program. The Application Guidelines describe the federal and state requirements with which local governments must comply in order to apply for CDBG funds. The Grant Administration Manual is primarily a restatement and explanation of existing federal and state statutory and regulatory requirements, as well as additional departmental requirements, with which local CDBG recipients must comply in administering their CDBG projects. The Manual includes sample forms and letters, checklists, and explanatory text to help local government officials comply with the variety of requirements that apply to economic development, housing, and public facility projects.

4. Concerned persons may present their data, views or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to the Community Development Division, 301 South Park Avenue, P.O. Box 200523, Helena, Montana, 59620-0523, by facsimile to (406)

841-2771; or to the Business Resources Division, 301 South Park Avenue, P.O. Box 200505, Helena, Montana 59620-0505, by facsimile (406) 841-2731, to be received no later than 5:00 p.m., December 22, 2005.

5. Gus Byrom has been designated to preside over and conduct this hearing.

6. An electronic copy of this Notice of Proposed Adoption is available through the Department's site on the World Wide Web at www.commerce.mt.gov. The Department strives to make the electronic copy of this Notice conform to the official version of the Notice as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the Notice and the electronic version of the Notice, only the official printed text will be considered. In addition, although the Department strives to keep its website accessible at all times, concerned persons should be aware that the website may be unavailable during some periods, due to system maintenance or technical problems and that a person's technical difficulties in accessing or posting to the e-mail address do not excuse late submission of comments.

7. The Community Development Division and Business Resources Division maintain a list of interested persons who wish to receive notices of rulemaking actions relating to the CDBG program. Persons who wish to have their name added to this list may make a written request which includes the name and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding all CDBG administrative rulemaking proceedings. The request may be mailed or delivered to the Community Development Division, 301 South Park Avenue, P.O. Box 200523, Helena, Montana 59620-0523 or by facsimile to (406) 841-2771, or to the Business Resources Division, 301 South Park Avenue, P.O. Box 200505, Helena, Montana 59620-0505 or by facsimile to (406) 841-2731 or by completing a request form at any rules hearing held by the agency.

8. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

COMMUNITY DEVELOPMENT DIVISION
BUSINESS RESOURCES DIVISION
DEPARTMENT OF COMMERCE

By: /s/ ANTHONY PREITE
ANTHONY PREITE, DIRECTOR
DEPARTMENT OF COMMERCE

By: /s/ G. MARTIN TUTTLE
G. MARTIN TUTTLE, RULE REVIEWER

Certified to the Secretary of State, October 31, 2005